

COMMITTEE REPORT

MR. PRESIDENT:

The Senate Committee on Commerce and Consumer Affairs, to which was referred Senate Bill No. 352, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1 Page 1, between the enacting clause and line 1, begin a new
- 2 paragraph and insert:
- 3 "SECTION 1. IC 23-2-1-10 IS AMENDED TO READ AS
- 4 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 10. (a) A registered
- 5 broker-dealer shall make and keep accounts, correspondence,
- 6 memoranda, papers, books, and other records as the commissioner
- 7 requires by rule or otherwise. The commissioner's requirements may
- 8 not exceed the limitations provided in Section 15 of the Securities and
- 9 Exchange Act of 1934 (15 U.S.C. 78o).
- 10 (b) An investment adviser shall make and keep accounts,
- 11 correspondence, memoranda, papers, books, and other records as the
- 12 commissioner requires by rule or otherwise. The commissioner's
- 13 requirements may not exceed the limitations provided in Section 222
- 14 of the Investment Advisers Act of 1940 (15 U.S.C. 80b-18a). The
- 15 commissioner may prescribe by rule or otherwise the period that an
- 16 investment adviser must retain records.
- 17 (c) All the records of a registered broker-dealer or an investment
- 18 adviser are subject at any time to reasonable periodic, special, or other
- 19 examinations by representatives of the commissioner, within or without
- 20 Indiana, as the commissioner deems necessary or appropriate in the

1 public interest or for the protection of investors. No charges or other
 2 examination fees may be assessed against a registered broker-dealer or
 3 an investment adviser as a result of an examination under this
 4 subsection unless the examination results in an investigation or
 5 examination made under section 16(d) of this chapter. To avoid
 6 duplication of examinations of records, the commissioner may
 7 cooperate with the securities administrators of other states, the
 8 Securities and Exchange Commission, and any national securities
 9 exchange or national securities association registered under the
 10 Securities and Exchange Act of 1934 (15 U.S.C. 77b et seq.).

11 (d) Every registered broker-dealer and investment adviser shall file
 12 financial reports and other reports as the commissioner by rule or order
 13 prescribes. The commissioner's reporting requirements for registered
 14 broker-dealers may not exceed the limitations provided in Section 15
 15 of the Securities and Exchange Act of 1934 (15 U.S.C. 78o). The
 16 commissioner's reporting requirements for investment advisers may not
 17 exceed the limitations provided in Section 222 of the Investment
 18 Advisers Act of 1940 (15 U.S.C. 80b-18a).

19 (e) If the information contained in a document filed with the
 20 commissioner is or becomes inaccurate or incomplete in any material
 21 respect, the registrant shall promptly file a correcting amendment.

22 (f) The commissioner may require investment advisers to furnish or
 23 disseminate certain information necessary or appropriate for the public
 24 interest or to protect investors or clients. The commissioner may
 25 determine that the information furnished to clients or prospective
 26 clients of an investment adviser under the Investment Advisors Act of
 27 1940 (15 U.S.C. 80a-1 et seq.) and the rules adopted under the
 28 Investment Advisers Act of 1940 may be used to satisfy this
 29 requirement.

30 (g) The commissioner ~~shall~~ **may** annually select ~~a total of as many~~
 31 **as** twenty-five percent (25%) of all Indiana home and branch offices of
 32 registered broker-dealers for completion of compliance reports. The
 33 offices shall be selected at random. Each broker-dealer office that is
 34 selected shall file its compliance report according to rules adopted by
 35 the commissioner under IC 4-22-2 not more than ninety (90) days after
 36 being notified of selection under this subsection. No charges or other
 37 examination fees may be assessed against a registered broker-dealer as
 38 a result of the examination of a compliance report filed under this

1 subsection unless the examination results in an investigation or
2 examination made under section 16(d) of this chapter."

3 Page 4, line 11, after "commodities," insert "**banking, financial**
4 **services,**".

5 Page 4, line 12, after "securities" insert ", **commodities, banking,**
6 **financial services, or insurance**".

7 Renumber all SECTIONS consecutively.
(Reference is to SB 352 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 9, Nays 0.

Server

Chairperson